

Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First St., N.E. Room 1A
Washington, DC 20426

Docket Nos. CP07-417-000, PF07-2-000

Dear Ms. Bose:

In accordance with our responsibilities under Section 309 of the Clean Air Act, the National Environmental Policy Act (NEPA), and the Council on Environmental Quality (CEQ) Regulations for Implementing NEPA, the U.S. Environmental Protection Agency (EPA) Region 6 office in Dallas, Texas, has completed its review of the Draft Environmental Impact Statement (DEIS) for the Fayetteville/Greenville Pipeline Expansion Project. The purpose of the project is to provide new transportation capacity to transport natural gas produced in north-central Arkansas markets served by interstate and intrastate pipeline systems.

EPA rates the DEIS as "EC-2," i.e., EPA has "**Environmental Concerns and Requests Additional Information in the Final EIS (FEIS)**." EPA has identified environmental concerns and informational needs to be included in the FEIS to complement and to more fully insure compliance with the requirements of NEPA and the CEQ regulations and the Clean Water Act. Areas requiring additional information or clarification include: environmental justice, wetland impacts and mitigation, and air quality impacts.

Our classification will be published in the Federal Register according to our responsibility under Section 309 of the Clean Air Act to inform the public of our views on proposed Federal actions. Detailed comments are enclosed with this letter, which more clearly identify our concerns and the informational needs requested for incorporation into the FEIS.

EPA appreciates the opportunity to review the DEIS. If you have any questions, please contact Mike Jansky of my staff at 214-665-7451 or e-mail him at jansky.michael@epa.gov for assistance. Please send our office five copies of the FEIS when it is sent to the Office of Federal Activities, EPA (Mail Code 2252A), Ariel Rios Building, 1200 Pennsylvania Ave, N.W., Washington, D.C. 20460.

Sincerely yours,

/s/

Cathy Gilmore, Chief
Office of Planning and
Coordination (6EN-XP)

Enclosure

**DETAIL COMMENTS
ON THE
DRAFT ENVIRONMENTAL IMPACT STATEMENT
FOR THE
FAYETTEVILLE/GREENVILLE PIPELINE EXPANSION PROJECT
ARKANSAS AND MISSISSIPPI**

AIR COMMENTS

The Federal Energy and Regulatory Commission (FERC) presents national ambient air quality standards (NAAQS) modeling results in Table 4.11.1-5 (page 4-127) for the compressor station in Mississippi. Results are presented for nitrogen dioxide (NO₂) and carbon monoxide (CO), but no results are presented for any other NAAQS as listed in Table 4.11.1-1 (page 4-118). NAAQS modeling results for these pollutants should be provided.

Additionally, the impact on NO₂ ambient concentrations presented in Table 4.11.1-5 is 96.3 micro-grams per meter cubed (µg/m³), compared to the NAAQS of 100 µg/m³. Based on the information in Table 4.11.1-5, the impact from the Mississippi emergency generator (53.11 µg/m³) seems to be driving the impact from the project. This seems to be inconsistent with the fact that the emergency generator will only be operating 500 hours per year and the NO_x emissions from the emergency generator will only be 0.55 tons per year, according to Table 4.11.1-3. The impacts from this project should be verified and any inconsistencies or errors in the analysis should be corrected before the EIS is finalized. Finally, it does not seem that any background concentrations were considered in the ambient impact analysis of this project. If the impact on NO₂ ambient concentrations from the project alone is indeed that close to the NAAQS, then we recommend further analysis of this project, including concentration values from other sources in the area.

On page 4-121, FERC states that “ Air Quality Control Regions (AQCRs) are categorized as Class I, Class II, or Class III” with reference to prevention of significant deterioration (PSD) area classifications. These classifications are not made on the basis of AQCR boundaries. We recommend changing the sentence to read “Areas of the U.S. are categorized as”

On page 4-121, FERC states the following: “No Class I areas are located within 62 miles of any of the proposed compressor station locations.” The concept of an official 100-km cutoff distance from PSD Class I areas is not correct. The distance at which a Class I area impact analysis may be required depends on the types and quantities of the pollutants emitted from a project and on the air quality related values of the specific Class I areas that could be potentially affected. In some cases, project impacts on a Class I area must be assessed even at distances much greater than 100 km. We recommend deleting the sentence quoted above and replacing it with the following: “Given the types and quantities of the emissions from the compressor stations involved in the proposed project and the distance to the nearest Class I area, no adverse impacts on Class I areas is expected.”

According to page 4-121 of the DEIS, PSD permitting is not applicable to the construction of the compressor station in Mississippi. However, no modeling was performed to assess compliance with PSD increments. Even if the compressor station is not a PSD major

source the proposed emissions increases could still consume PSD increments. Increment consumption occurs for new minor sources and minor modifications if the minor source baseline date has been established prior to the construction of the new minor source or minor modification. For completeness sake, FERC might wish to compare modeling results for Fayetteville's NO_x emissions increases to the PSD Class II increment for NO₂. (Emissions increase for SO₂ and PM₁₀ are probably low enough that modeling is unnecessary.) This is merely a suggestion. FERC can use its discretion in deciding what to do with the suggestion.

ENVIRONMENTAL JUSTICE

EPA appreciates the efforts taken to describe potential socioeconomic impacts and benefits to the overall populations within the affected project area. Additional information is requested to comply with the Executive Order 12898 on Environmental Justice (EJ).

Demographics: The proposed project area contains high levels of poverty and unemployment. The DEIS examines the 2000 per capita income for each of the counties in the project area. Three of the six counties (Holmes, Humphreys and Sunflower) in Mississippi have lower per capita incomes than the Greenville Lateral average. The DEIS does not provide an average per capita incomes for the States for purposes of broader comparison. This additional information is helpful and should be included in the FEIS, especially since most of the counties in the Mississippi project area would likely have per capita incomes below the state average. In addition, the DEIS states that all of the counties in the Mississippi project area (Coahoma, Washington, Sunflower, Humphreys, Holmes, and Attala) have higher 2006 unemployment rates (8-13%) than the State average of 7% (Table 4.9.3-1).

The DEIS does not reference or fully comply with the Executive Order 12898 on Environmental Justice, relative to "Federal Actions to Address EJ in Minority and Low Income Populations." While the DEIS examines potential socioeconomic impacts, it does not include the breakdown of the racial composition (i.e. Caucasian, African-American, Hispanic, Native American) within the counties that will be crossed by the project to ensure that there is no disproportionately high and adverse human health or environmental effects of its programs, policies, and activities on minority and low-income populations. The percentage of each demographic population should be included in a table in the FEIS and compared to the Lateral Averages and State Average.

Impacts: The FERC alternatives analysis should consider impacts on potential EJ populations (much like any other impacts addressed in the EIS) in the routing of pipeline alignments during their avoidance and minimization process. EPA does note, however, that the project is located in primarily rural areas with relatively small population densities. Based on the information in the DEIS, residential impacts associated with the project corridor appears to be relatively minimal in terms of direct project impacts.

It is unclear whether impacts to agricultural lands will significantly affect EJ populations in the project area. The FEIS should include additional information regarding the public supply

wells in the project area and the populations served by them. Three public wells are located in Mississippi. Specific best management practices and Spill Prevention Control and Countermeasures (SPCC) that will be taken to minimize potential impacts to local resources in Mississippi should also be described. Will the same plans and practices be used in Arkansas? Editorially, the DEIS stated that the SPCC plan was located in Appendix D, but that Appendix included a wetlands crossing table.

Benefits and Burdens: Four full-time jobs will be created to operate and maintain the proposed pipeline. The DEIS states that two positions will be filled in each state and that these positions may be filled by either local or non-local personnel. Project construction will be completed within a six-month period (June 2008 – January 2009) with a peak employment of 225 workers in each of the two spreads in the Greenville Lateral (pg. 4-1-4). According to the DEIS, the average unemployment rate along the Greenville Lateral is 11.5% which is high compared to the Mississippi state average of 7%. The temporary construction jobs that are created will be occupied mainly by non-local workforces due to the specialized nature of construction and pipeline contractors. Consequently, the project would result in both minimal and temporary increases in employment opportunities within the region according to the DEIS. Only about 5% of the construction workforce would be hired within the project area.

The DEIS describes the benefits to local and state governments and provides financial estimates of proposed benefits. However, the DEIS states that definite costs to local governments associated with the project cannot be provided, but it is assumed that the costs are less than the revenues. Efforts should be made to provide an estimate of project impacts to local governments based on prior pipeline projects of similar magnitude.

Resources: EPA recommends that the FERC staff consider the EJ assessment and public involvement approaches listed on EPA's website www.epa.gov/compliance/resources/policies/nepa/index/html), EPA R4's interim EJ guidance and other documents in the development of a useable EJ analysis procedure for their pipeline and other proposed projects.

Wetlands and Associated Mitigation

NEPA requires that resources examined for potential impacts include those potentially subject to direct, secondary and cumulative impacts. In analyzing the potential for impacts under NEPA, FERC must examine all wetlands and other aquatic resources in the project area, not just those considered "jurisdictional" for permitting purposes by the Corps of Engineers.

In permit actions under the CWA Section 404, however, the EPA Guidelines promulgated under Section 404 (b) (1) require specific sequencing of mitigation efforts for proposed impacts to wetlands and other waters. Therefore, the applicant should select an alignment that poses the least damaging practicable alternative. All efforts to minimize impacts must be undertaken and all remaining unavoidable impacts must have compensation.

We have provided below some general recommendations for the minimization of impacts. EPA may have additional comments if a public notice is issued for the Section 404 permit application(s):

1. The plans describe means that will minimize the impacts within the construction methods, such as, topsoil will be separated from subsoil as the trench is dug (p. 4-44), and that the disturbed area will be narrowed through wetland areas. We recognize that horizontal directional drilling will be used in some cases to avoid impacts (p.2-20), and we recommend its use at all perennial streams and high quality wetlands where practicable.
2. During restoration, desirable native wetland plants should be planted in wetland areas. Areas to be disturbed may be a source of material (seedlings, sprigs and seeds) for restoration if species are desirable (e.g. sedges, arrowhead, oaks, bald cypress, tupelo.) Forested wetlands that will be permanently cleared by the project will need off-site compensation.
3. Minimize impacts to riparian corridors, especially forested areas. Minimize impacts to creek banks (soil and vegetation). Stabilize and replant disturbed banks as soon as construction at that point is finished.
4. All best management practices should be used to minimize erosion of banks and bare soil, and siltation of streams. Bare soil should be stabilized and re-vegetated as soon as possible. Hay bales and silt fences should be inspected and repaired as needed after each rainfall event that creates runoff. All silt fences should be parallel to contours. Long and steep slopes may need multiple rows of fencing.
5. Wetlands or forested floodplain should not be used for staging or storage areas.